

INTERIM RESULTS

for Year Ended March 2010

November 11, 2009

HANWA CO., LTD.

- *As for the interim figures for this year, net sales amounted 531,946 million yen, decreased by 41.6% due to decrease in demand and down of the market price. On profit side, the interim net income was 2,550 million yen, decreased by 75.0% for the same period of the previous year, posted strong earnings from sales of products in inventories.*
- *Year earnings forecast :*
 - Sales amount 1,106 billion yen*
 - Operating income 14.8 billion yen*
 - Net income 7.2 billion yen*
- *About the dividend, the interim dividend of 6 yen is paid and the year-end dividend of 6 yen are planned.*

Operating Results (consolidated)



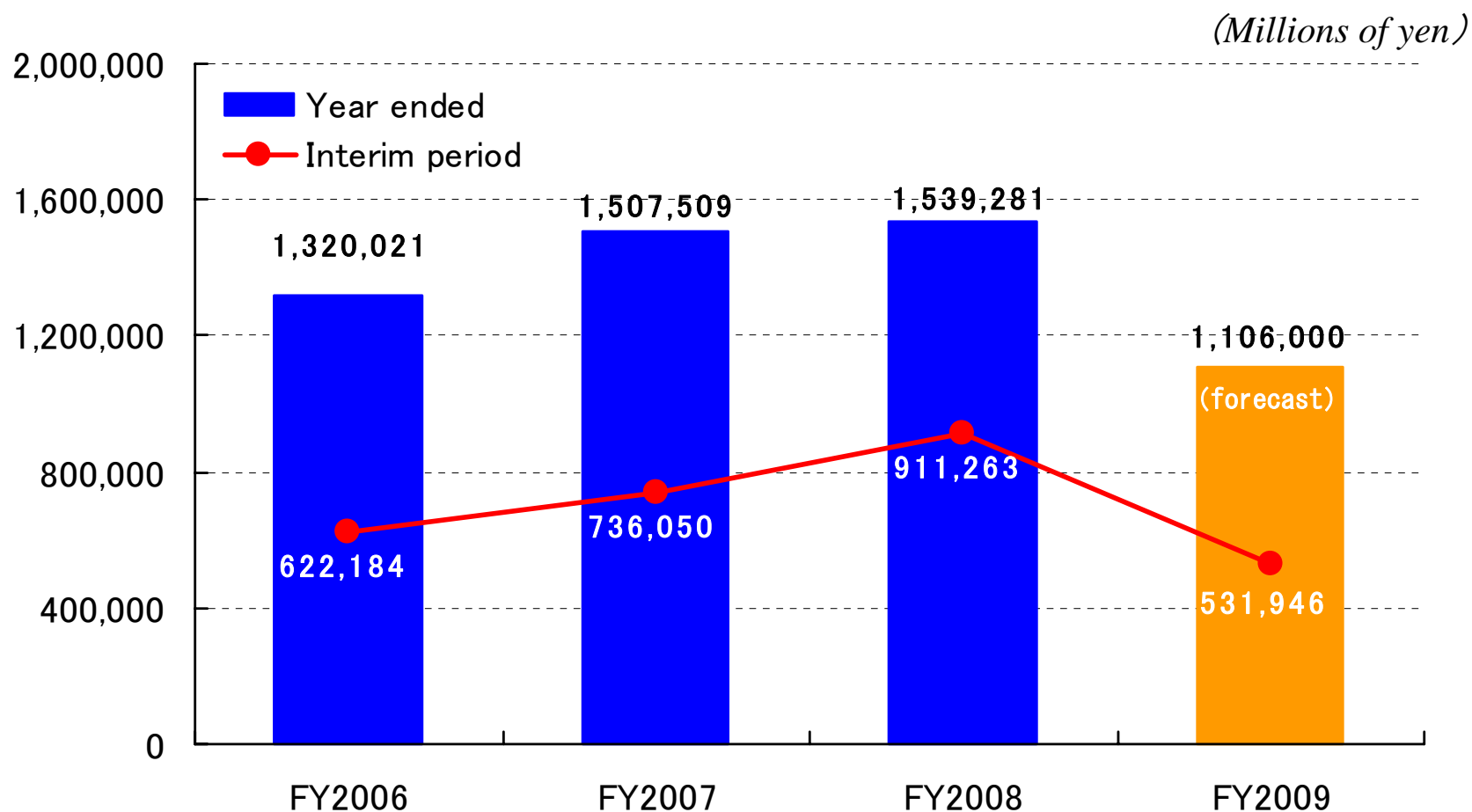
(Millions of yen)

	2009/9	2008/9	Rate of change
<i>Net Sales</i>	531,946	911,263	-41.6%
<i>Operating Income</i>	5,708	19,819	-71.2%
<i>Ordinary Income</i>	5,139	19,340	-73.4%
<i>Net Income</i>	2,550	10,216	-75.0%
<i>Net Income per share (yen)</i>	12.19	48.34	-74.8%

Changes in Net sales (consolidated)



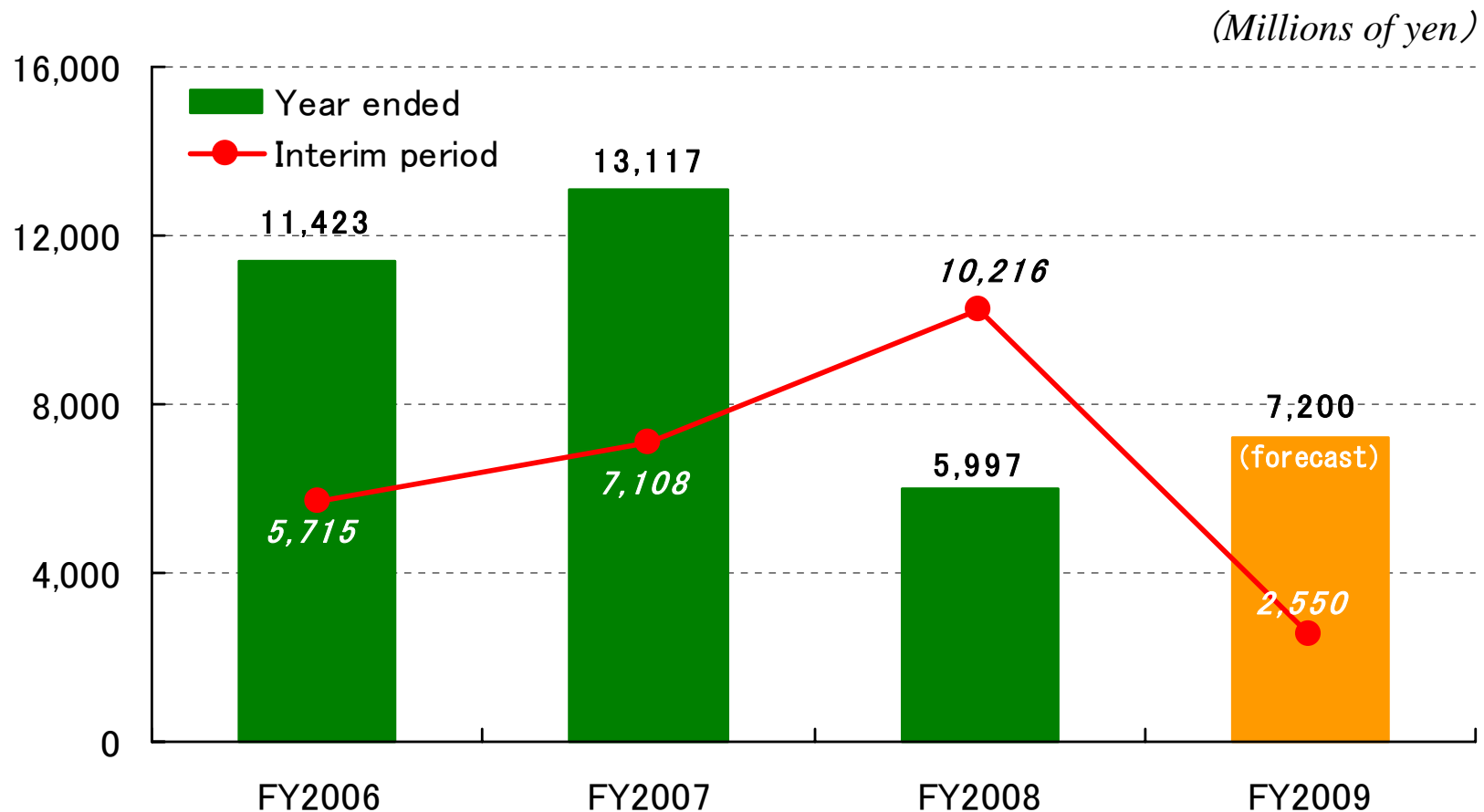
In recent years, our net sales developed, due to increase amounts of sales and rise of the market price. In FY2009, net sales decreased by reduction of demand since the second half of the previous year.



Changes in Net income (consolidated)



The interim net income decreased by 75.0% for the same period of the previous year, due to decrease in demand by the global recessionary phase.



Financial Position (consolidated)



(Millions of yen)

	<i>2009/9</i>	<i>2009/3</i>	<i>Rate of change</i>
<i>Total assets</i>	<i>436,511</i>	<i>479,379</i>	<i>-8.9%</i>
<i>Total liabilities</i>	<i>336,693</i>	<i>384,466</i>	<i>-12.4%</i>
<i>Shareholders' equity</i>	<i>99,817</i>	<i>94,912</i>	<i>+5.2%</i>
<i>Shareholders' equity ratio</i>	<i>22.7%</i>	<i>19.7%</i>	
<i>Shareholders' equity per share (yen)</i>	<i>473.86</i>	<i>450.05</i>	<i>+5.3%</i>
<i>Net debt/equity ratio</i>	<i>148.2%</i>	<i>190.4%</i>	

Cash Flows Situation (consolidated)



(Millions of yen)

	2009/9	2008/9	Rate of change
<i>Cash flows from Operating activities</i>	43,346	(23,934)	(+281.1%)
<i>Cash flows from Investing activities</i>	(8,111)	(14,713)	-44.9%
<i>Cash flows from Financing activities</i>	(35,727)	43,636	(-181.9%)
<i>Cash and cash equivalents at end of the period</i>	34,606	19,562	+76.9%

Segment Information (consolidated)



Net sales

	2009/9	2008/9	Rate of change
Steel	303,772	498,948	-39.1%
Metal & alloys	41,973	98,509	-57.4%
Non-ferrous metals	19,808	37,310	-46.9%
Foods	36,172	43,601	-17.0%
Petroleum & chemicals	107,844	204,324	-47.2%
Others	22,374	28,568	-21.7%
Total	531,946	911,263	-41.6%
Corporate	(—)	(—)	—
Consolidated	531,946	911,263	-41.6%

Operating income

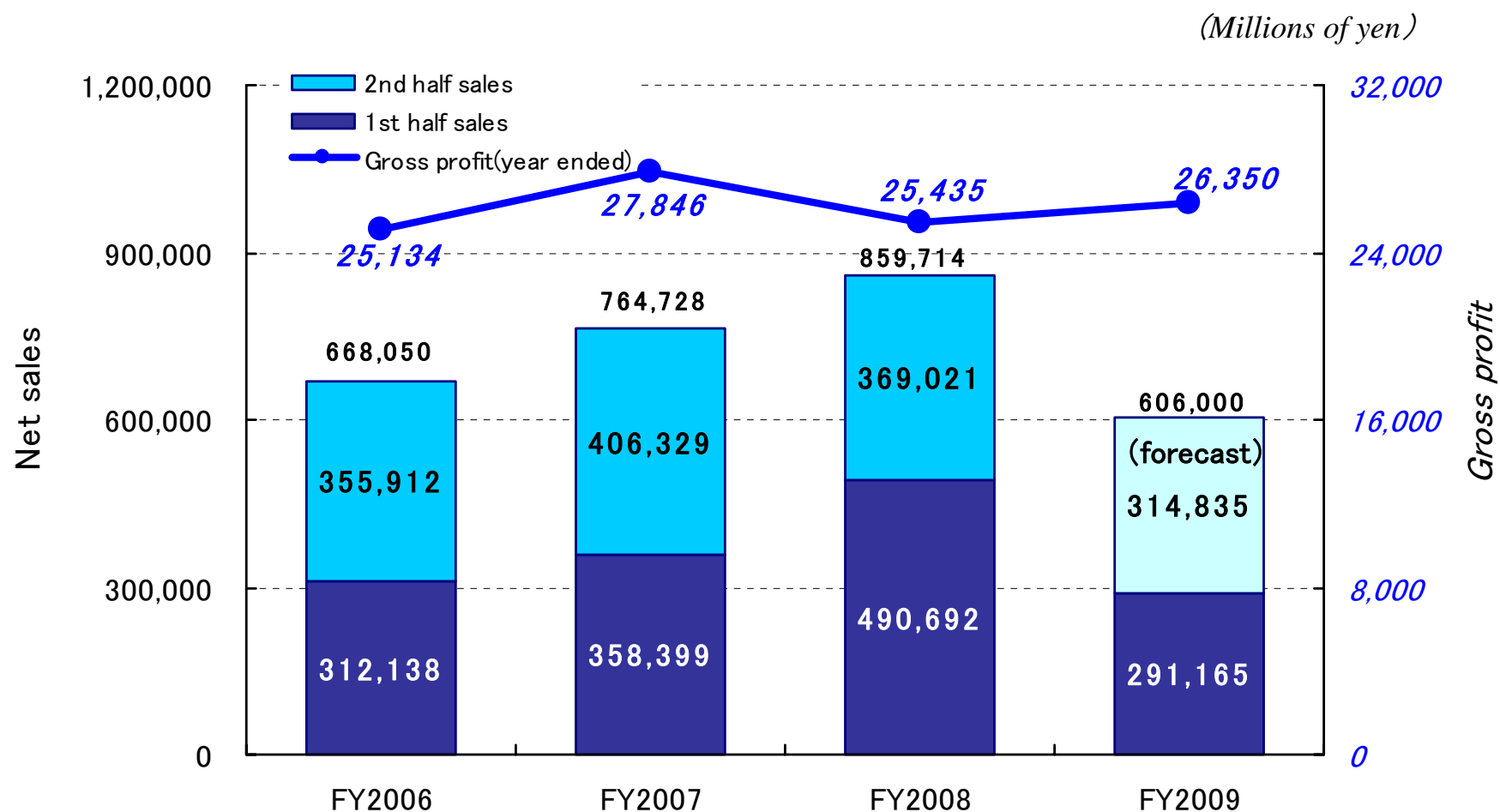
(Millions of yen)

	2009/9	2008/9	Rate of change
Steel	4,525	12,784	-64.6%
Metal & alloys	1,136	3,715	-69.4%
Non-ferrous metals	483	1,183	-59.2%
Foods	672	1,100	-38.9%
Petroleum & chemicals	563	2,392	-76.5%
Others	1,156	1,614	-28.4%
Total	8,538	22,790	-62.5%
Corporate	(2,829)	(2,971)	-4.8%
Consolidated	5,708	19,819	-71.2%

Sales and Profit by Steel Segment (unconsolidated)



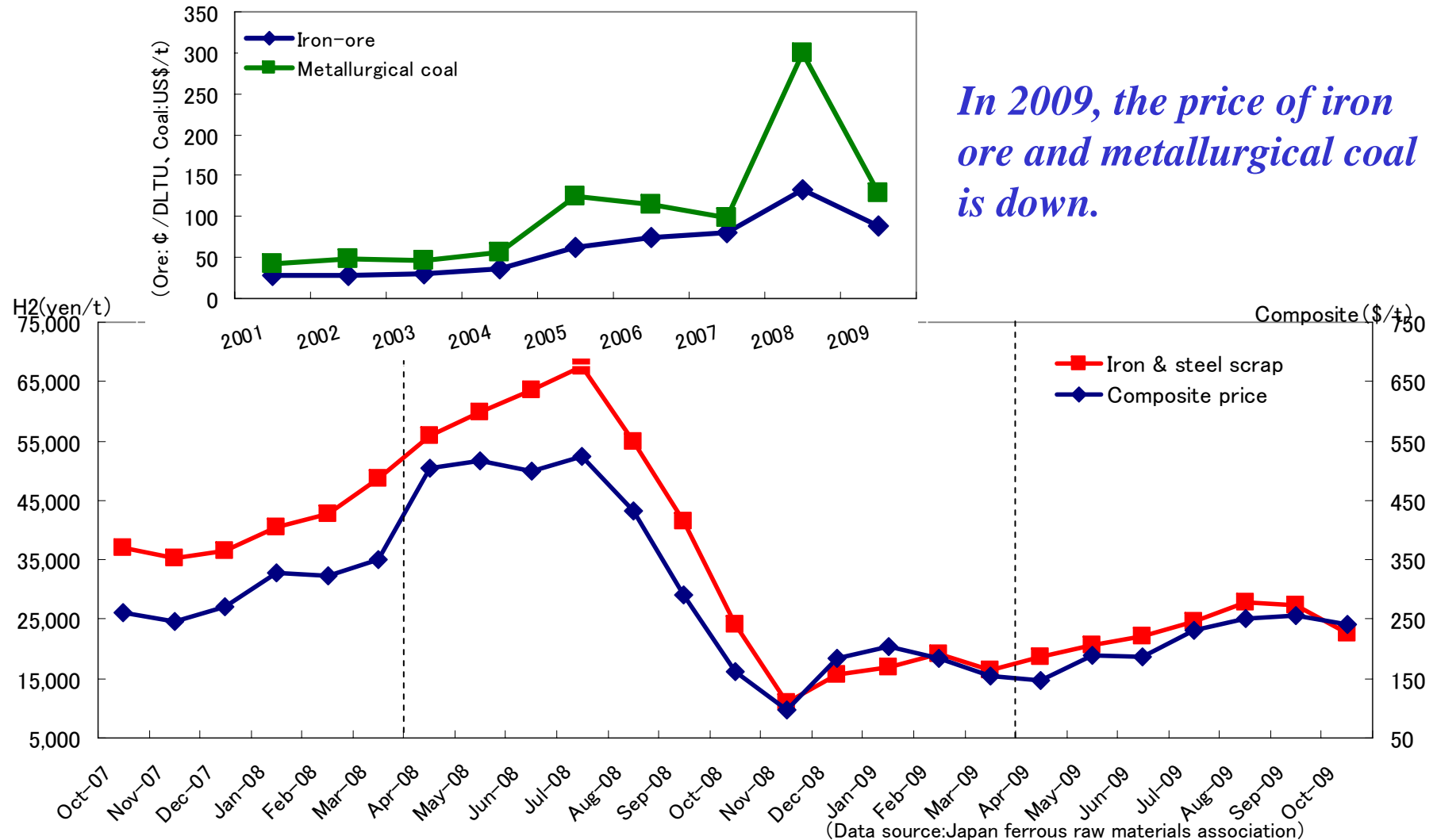
Net sales decreased due to reduction of demand and down of the steel market price. In second half, we can expect not to recover large range, so we foresee same level annual gross profit as the previous year.



Transition of Iron & Steel Scrap Markets



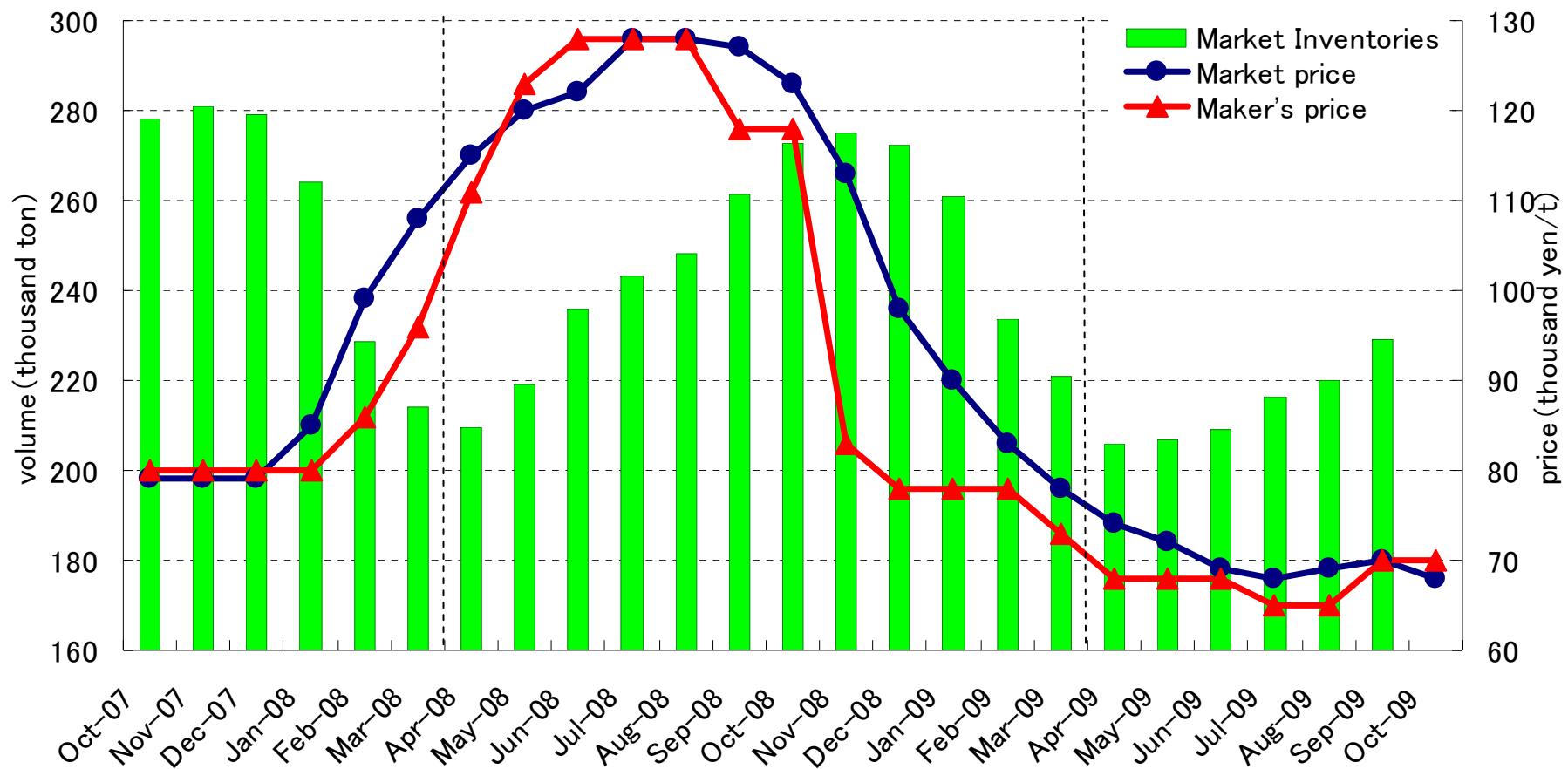
Scrap price had risen due to increase of demand in China. At the present time, because of decrease in purchase from China and Korea, scrap price is seesawing.



Transition of the H-Beams Markets in Japan



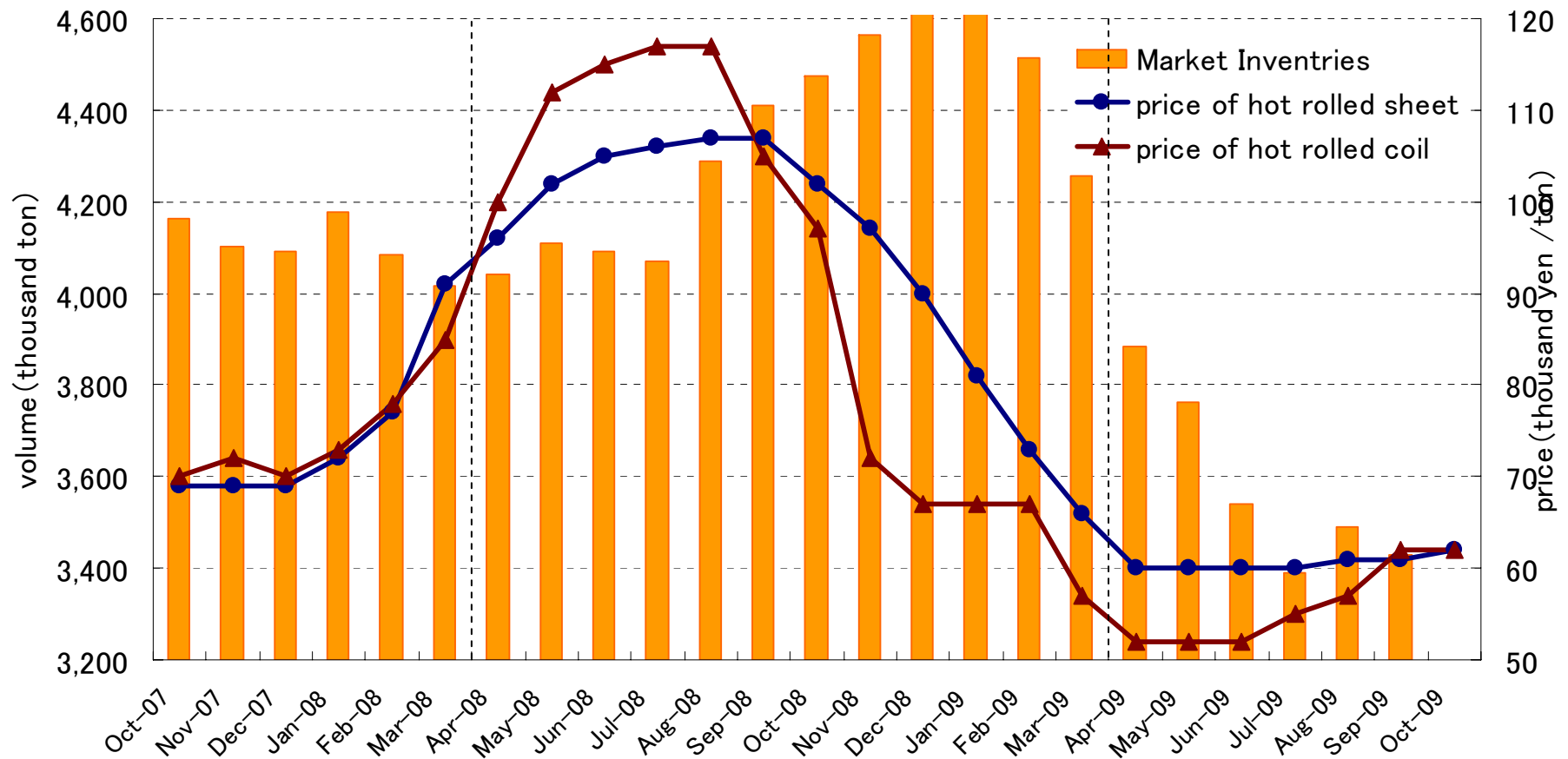
Although the volume of market inventories has gone down to adequate level, the market price has not recovered. The price hike negotiation due to rise on scrap price did not succeed.



Transition of Steel Sheets Markets in Japan

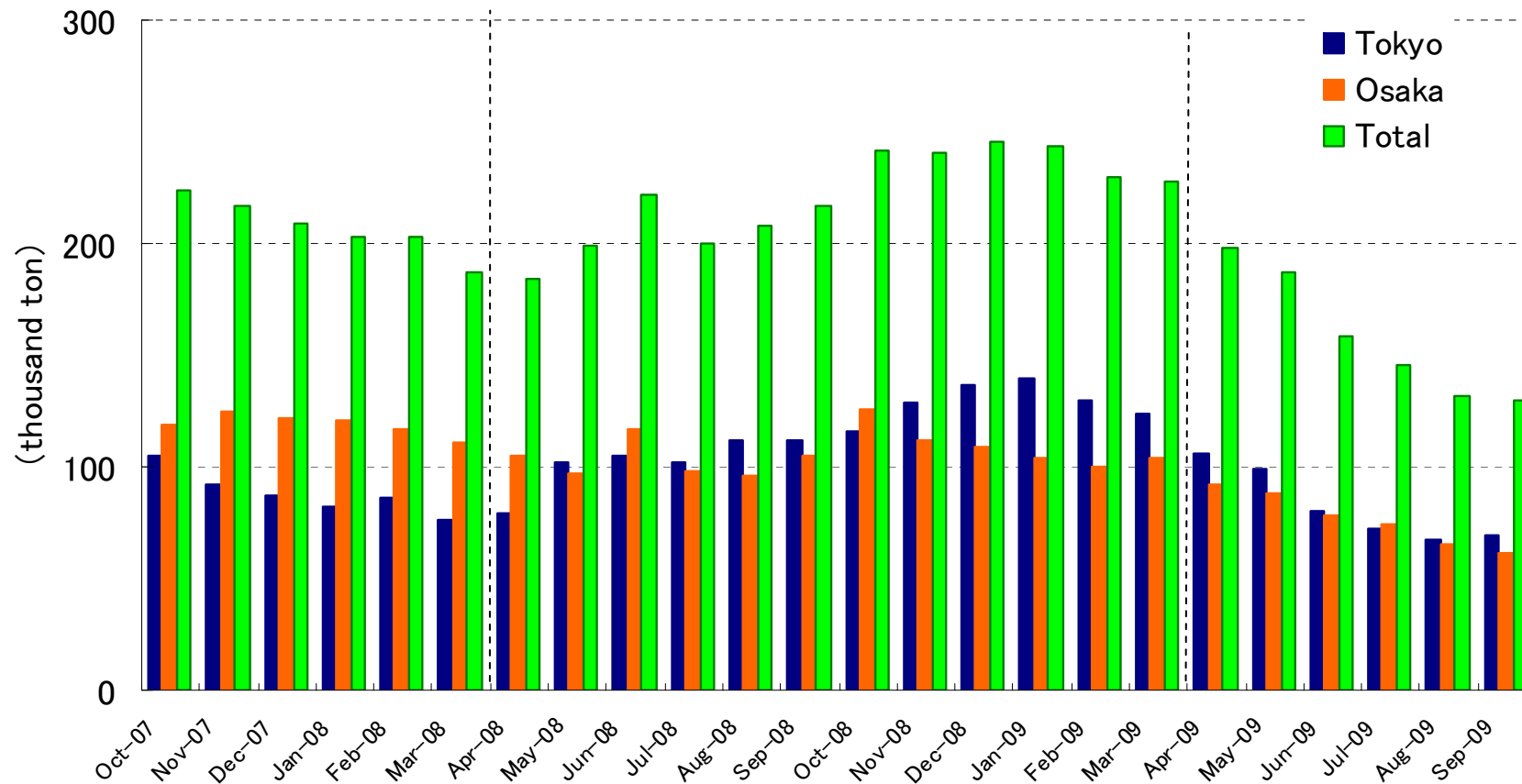


Although the inventories adjustment had progressed, the market price stayed about the same. The overseas market price had rose, but recently it enters a adjustment phase due to down of China market price.



Transition of Imported Steel-coils Inventory in pier warehouses in Japan

The amount of steel products imported by Japan maintained low level, so the inventory of imported steel-coils in pier warehouses gradually decreased.



Study by Hanwa co.,ltd.

Segment Information (consolidated)



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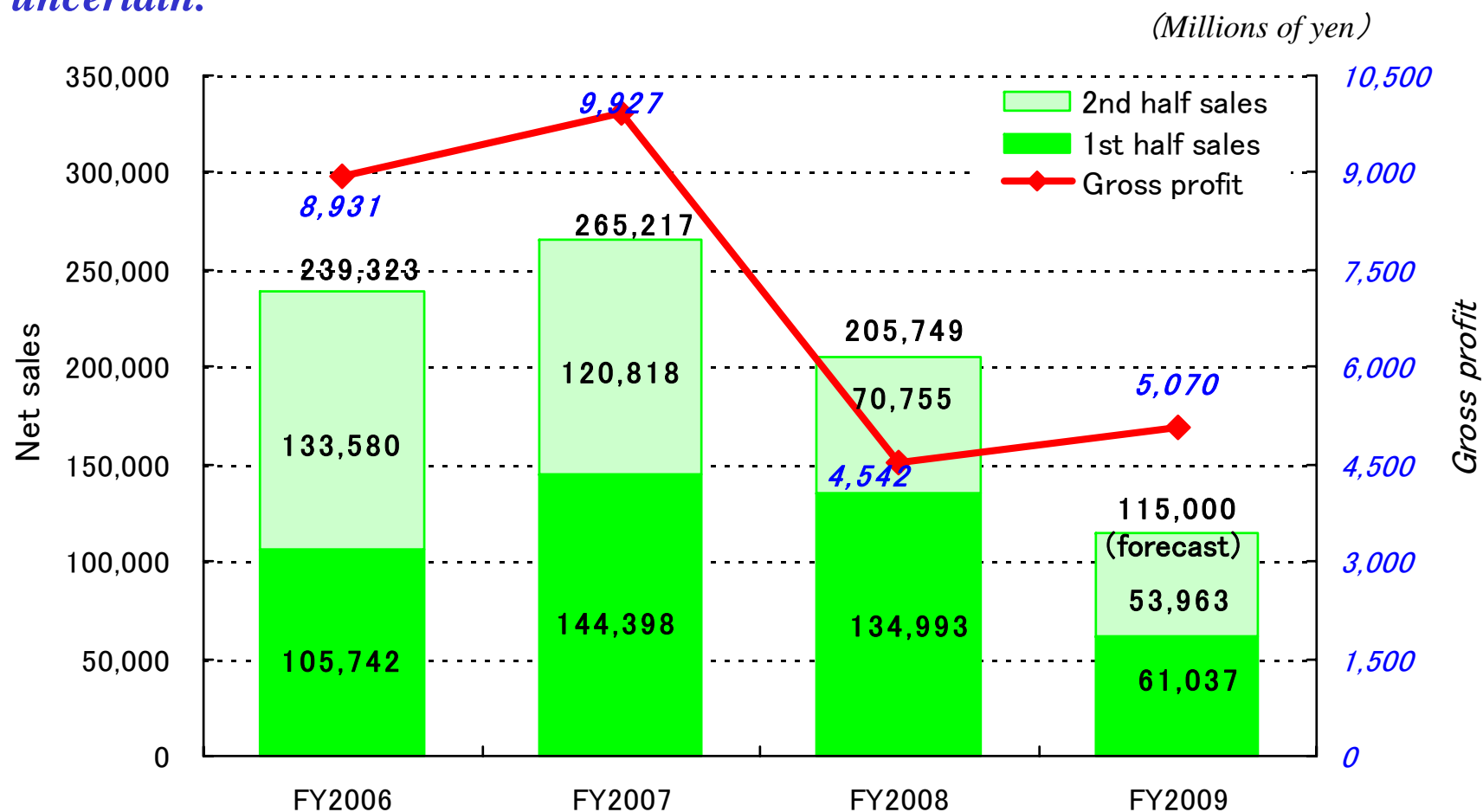
Operating income

(Millions of yen)

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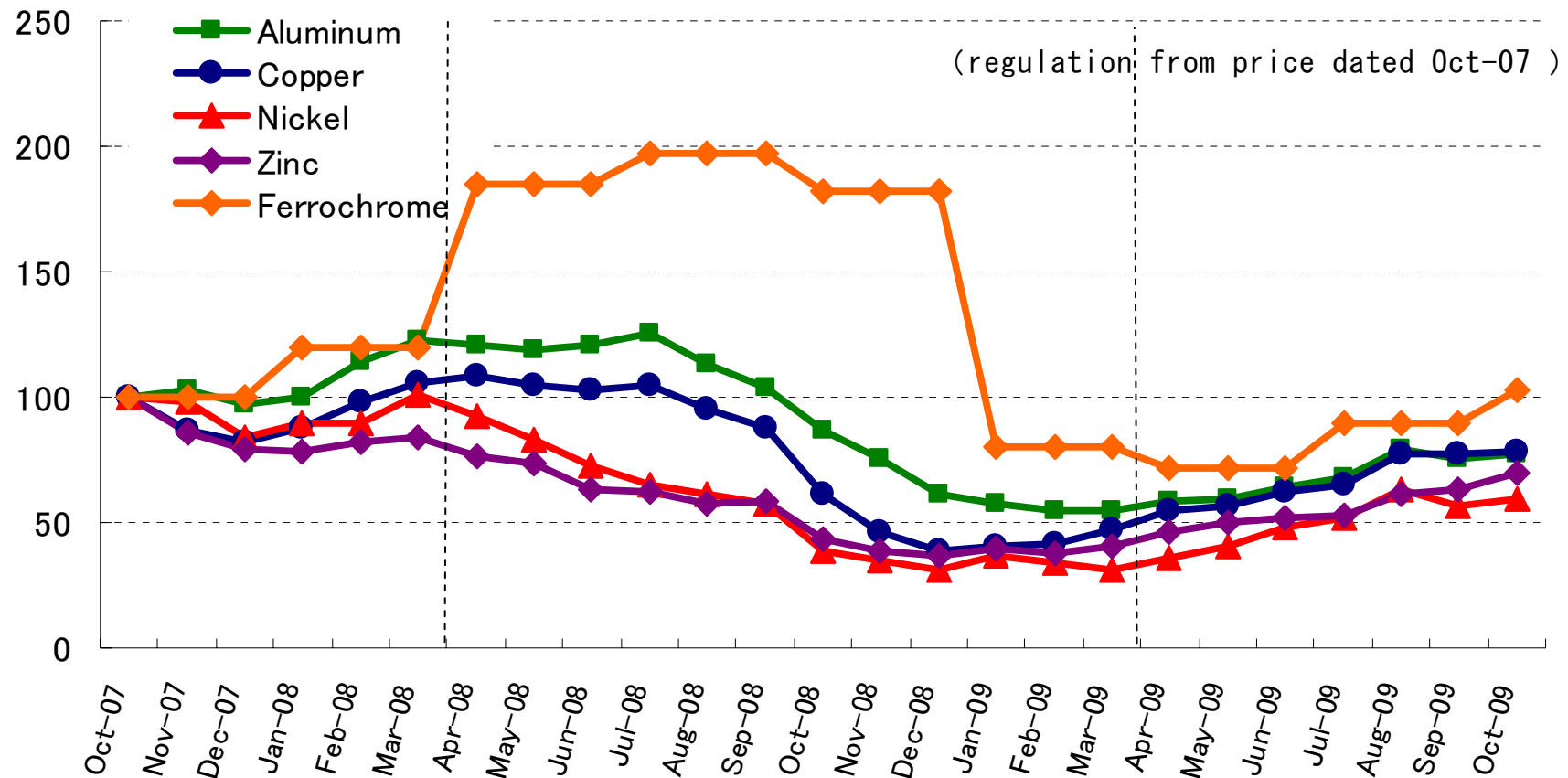
Sales and Profit by Metals & Alloys, Non-ferrous Metals Segment (unconsolidated)

The demand of nickel, chrome and ferroalloys remained at low level due to production cutback of steel and stainless steel products. The market price made a recovery because of increase of demand in China, but the future is uncertain.



Transition of Non-ferrous Metals Markets

The LME price made a recovery because of increase of demand in China and influx of speculative money. The price of ferrochrome rose due to demand recovery and the tight electricity situation in South-Africa.



Segment Information (consolidated)



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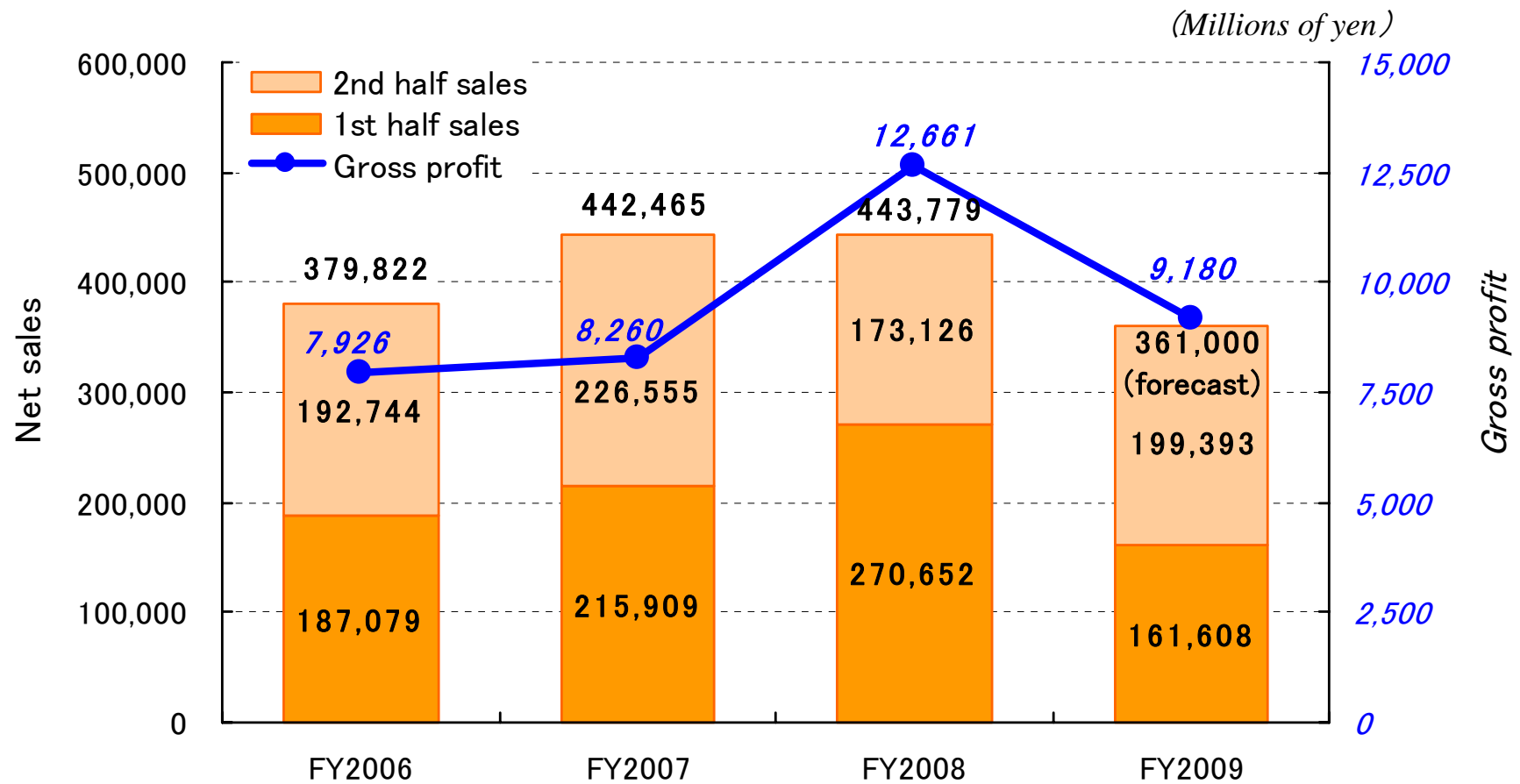
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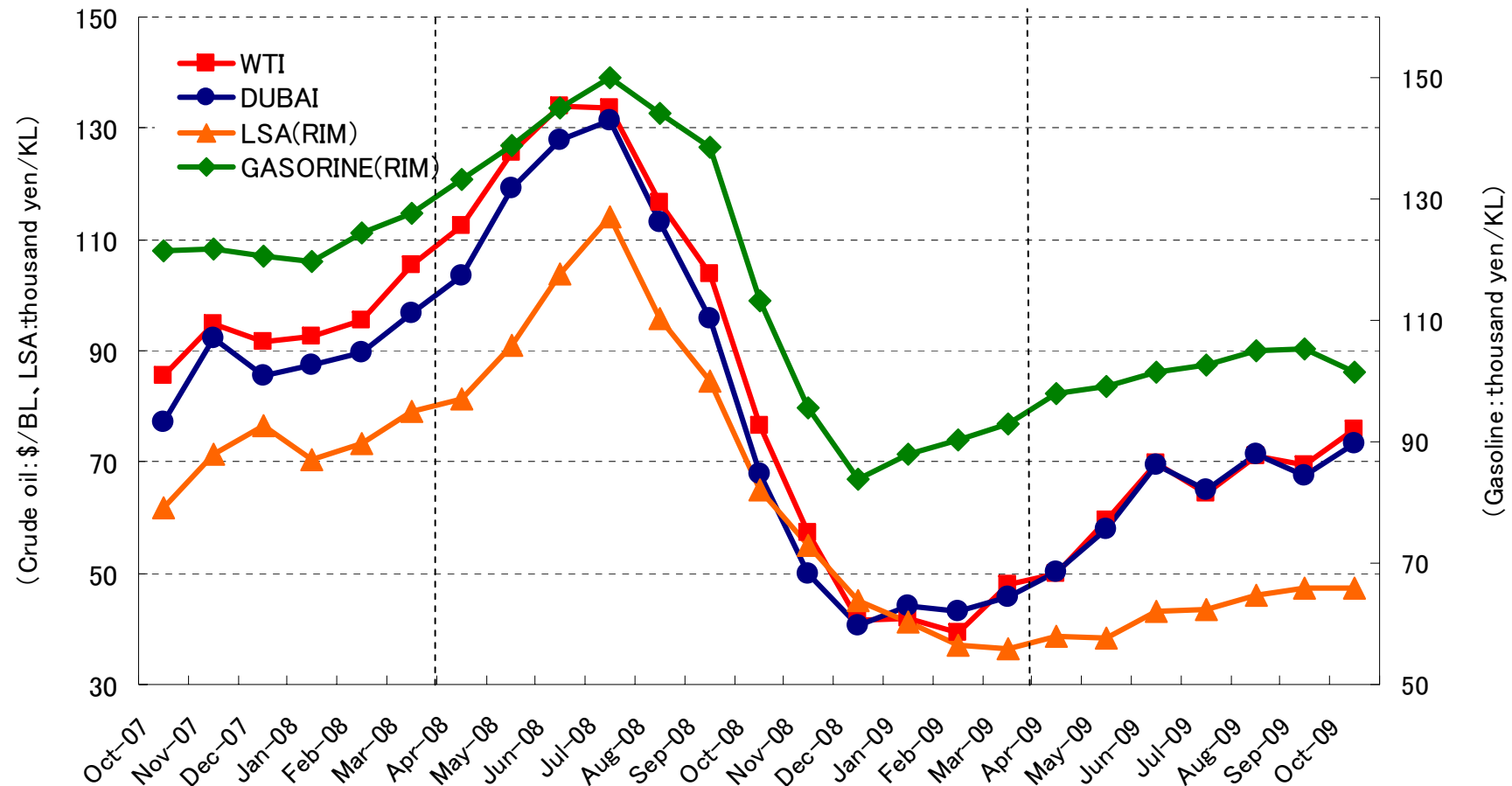
Sales and Profit by Foods, Petroleum & Chemicals, Others Segment (unconsolidated) **HANWA**

These segment, mainly petroleum & chemicals, had expanded the business scale. However, in this year the amount of sales decreased due to downturn in demand and market price.



Transition of Crude & Refined Products Markets

The crude oil price had fallen sharply since last summer. In this year, it has recovered. In contrast, the price of petroleum products doesn't recover due to decrease in demand.



Business Forecast FY2009 (year ended March 31, 2010)



Although the financial results in the interim period had achieved almost at expected, we leave the annual forecast unchanged because the future of the economic environment is uncertain.

About the dividend, the interim dividend of 6 yen is paid and the year-end dividend of 6 yen are planned.

(Millions of yen)

	<i>Interim</i>	<i>FY2009</i>	<i>FY2008</i>
<i>Net sales</i>	531,946	1,106,000	1,539,281
<i>Operating income</i>	5,708	14,800	17,451
<i>Ordinary income</i>	5,139	12,000	15,007
<i>Net income</i>	2,550	7,200	5,997

	<i>Year</i>	<i>Interim</i>	<i>Year-end</i>
<i>Cash dividends (yen)</i>	12.00	6.00	6.00

This material contains statements (including figures) regarding Hanwa Co., Ltd. (“Hanwa”)’s corporate strategies, objectives, and views of future developments that are forward-looking in nature and are not simply reiterations of historical facts. These statements are presented to inform stakeholders of the Views of Hanwa’s management but should not be relied on solely in making investment and other decisions. Readers should not place undue reliance on forward-looking statements.